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Dr. West's monograph supplies, in a most convenient form, a careful survey of the past and existing legislation on the subject of inheritance taxes, both in this and other countries, together with an admirable critical review of the interesting legal and financial problems that have been raised by this form of taxation. The inheritance tax, in some form, is found at the present day in nearly every civilized country. It has reached its highest development in England, France, Switzerland, Canada and Australasia. In those countries it has been made a very productive source of revenue. The inheritance tax has not yet won a very wide extension in the United States (at present it is found in twelve states), but it is rapidly growing in public favor. The trend of both popular and scientific opinion is distinctly in its favor at the present time, but for a variety of reasons. There exists no consensus of opinion among competent writers on finance regarding the proper justification of this mode of taxation. Some regard it as a convenient method of limiting inheritance ; some as a payment to the state for guaranteeing the peaceful devolution of property ; and others as a tax levied in accordance with the rule of ability. But it seems most logical, from the standpoint of finance, to regard it as a property tax, levied in the convenient manner and under the name of a tax on inheritance. This, we understand, to be also Dr. West's view. His treatment will be found thorough, interesting and scholarly.

A. C. MILLER.

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*National Consolidation of the Railways of the United States.* By  
GEORGE H. LEWIS, M.A. New York: Dodd, Mead & Co.,  
1893. 12mo. pp. xv + 326.

IN this work Mr. Lewis does not content himself with mere destructive criticism, as many writers upon railway problems have done, but he proposes a definite plan which, in his opinion, is sure to remove the more serious evils of the transportation system. The author naturally begins by showing the magnitude of the interests and their importance to every citizen as well as to the political life of the states and the nation. The conditions which make the railway an industrial monopoly and tend towards the consolidation of rival roads are discussed. The words of men whose opinions should carry weight, notably Mr. Huntington and Mr. Blackstone, are cited to prove that consolidation in some form is inevitable. The conflicting theories of rate-making, the evils of discrimination, and the disastrous results which

follow the competition to which rival roads are driven, are adduced as further evidence to prove that the regime of individual ownership and control must yield to some better plan of management. Further reasons in support of this conclusion are found in the ruin wrought by stock watering and other abuses of fiduciary powers. Not least among the existing evils is the stock speculation and speculative management to which uncertainty and instability give rise. On this as on some other points the author might have made the case stronger against the railways than he has done. For his purpose it is desirable to show that the plan of railway building and management in this country is a failure, but he does not fall into the too common error of treating his opponents unfairly, and charging upon them all conceivable crimes. He might have criticised some of the evils more severely, and would have done well to dwell at greater length upon the bad effects of speculation, for one of the strong arguments in favor of the proposed plan is the elimination of speculative management.

The declaration of constitutions and statutes, the opinions of jurists and the decisions of the Supreme Court are cited to prove that the railways are public highways, and as such are subject to governmental control. The author finds a still stronger reason for taking the control of railways out of private hands in the resemblance of their charges to taxation. If Mr. Stickney, Mr. Lewis and others who are arguing upon the same line succeed in demonstrating that the railways necessarily exercise the taxing power they will have gone a long way toward securing their transference from individual to governmental control.

Bad as the evils of the existing system are, Mr. Lewis fears that the dangers attendant upon direct government ownership and control would be worse. He therefore proposes a plan by which he hopes to combine the advantages of consolidation, government control and private interest. In brief, this plan is to have Congress incorporate "The Consolidated Railway Company of the United States," to purchase and operate all railways engaged in interstate commerce. The government of the company is to represent three interests. (1) The President of the United States is to appoint the president of the company and six commissioners. (2) Each state is to be represented by an elected commissioner. (3) The stockholders are to have their interests guarded by a number of commissioners equal to those chosen by the states. Because this body of more than one hundred commissioners

would prove unwieldy, it is to exercise only a general controlling power, leaving the real direction of affairs in the hands of an executive committee of five members.

The Consolidated Company is to purchase existing roads at their market value, issuing in payment its own three per cent. stock, the dividends on which are to be guaranteed by the United States. Many of the details of the plan are worked out, authorities are cited, and arguments adduced to prove the constitutionality and the practicability of the proposition.

It is not within the scope of this review to criticise the plan in detail, but one or two of the graver objections should be stated. Aside from the political difficulty of partisan appointments, which it is by no means clear that the plan of the author would eliminate, one of the gravest dangers inherent in the public management of any industrial enterprise is the scattering of authority and responsibility, so that the possibility of, and the motive for, improvement are destroyed. Many of the advantages as well as some of the evils of the existing organizations of industry are to be sought in the concentration of power and responsibility in the hands of the man who is to profit most by its wise use. Or if the head of a great industrial enterprise is an agent he must be responsible to one person or constituency who can hold him to strict account, punishing laxity and rewarding merit. Under the plan proposed the executive power is divided among five men, but worse than this, they are subject to control by the great board of commissioners which is constituted in about the worst possible way. It represents diverse interests, and log-rolling, with attention to local interests, would be necessary to carry any movement. If railway transportation had reached a state of perfection and the object was to secure the greatest amount of conservatism, to prevent any change, the arrangement suggested might prove an admirable one. But if progress and increased benefits are desired from our railways the manager will need to be selected in a different way, to have fewer masters, to be more free from interference and to labor under stronger inducements than are found in the plan proposed by Mr. Lewis. Private management has certainly secured for the United States the most enterprising and progressive men to conduct the transportation business. The benefits derived from the present system cannot be surrendered for poorer and less progressive service until the evils arising from speculation and competition become worse than they are now. And if a

change should become necessary it must be so made as to preserve as many of the good features of the existing system as the nature of the problem will permit. Under exclusive government ownership and control a number of the more desirable features of private management might be retained. The president or manager might be given full power, and held accountable to one master for its use. Under the Consolidated Company with divided executives responsible to three antagonistic bodies, much poorer results would naturally follow. This seems to be a fatal weakness in the plan proposed.

WILLIAM HILL.

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*Seventh Annual Report of the Interstate Commerce Commission.*  
Washington: 1893. 8vo. pp. 266.

THE Seventh Annual Report of the Interstate Commerce Commission is of especial interest as an indication of the feeling in regard to the importance of the commission and the efficiency of government control of railways. The Commission is evidently alive to the criticism which has been passed upon it and feels moved to disclaim responsibility for the evils from which the transportation interests are suffering. The report goes further and shows by statistics, covering the period of the Commission's existence, that profits are increasing and the percentage of stocks paying no dividends is growing less.

The work of the Commission, however, is far from satisfactory, even to its members. The courts have made some decisions which have weakened its power, and, on the whole, it commands less respect and obedience than during the earlier years of its existence. This probably furnishes an explanation of some of the recommendations made by the Commission. In their opinion the time has passed when government regulation of the means of transportation is a debatable question. The Commission would have personal discriminations treated as crimes and visited with severe penalties.

The matter of overcharging receives severe condemnation, and is held to be practiced more extensively than can be accounted for by mere mistakes. Unjust classification gave rise to several complaints, and the Commission again recommended an amendment compelling the adoption of a uniform classification within a specified time. The short haul clause of the act seems to be reasonably well obeyed, as but three cases arising under it were decided.